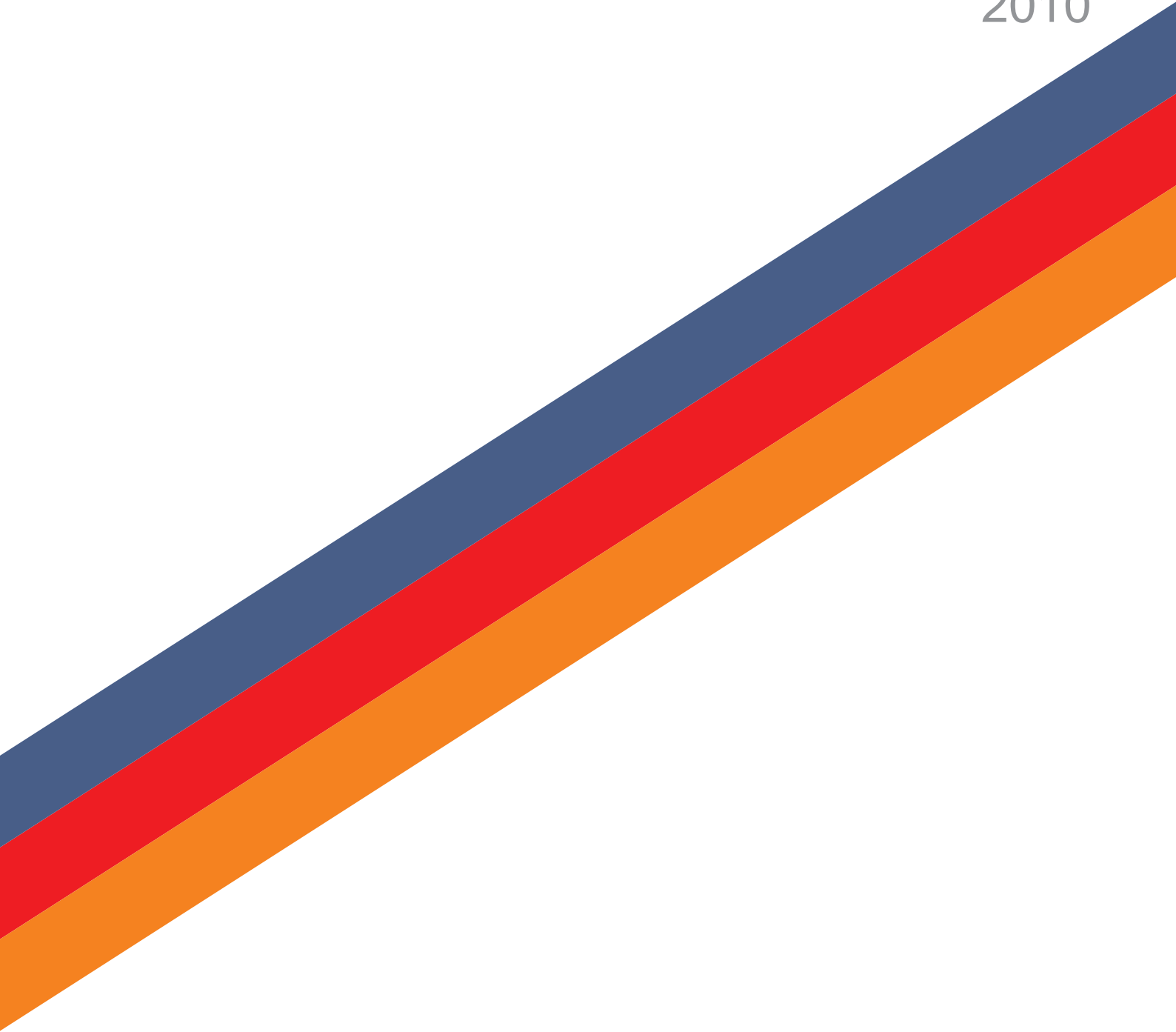


ANNUAL REPORT

2010



Inventure Growth & Securities Limited

Board of Directors:

- | | |
|---|--------------------------------|
| 1. Shri Nagji K. Rita | - Chairman & Managing Director |
| 2. Shri Virendra D. Singh | - Whole Time Director |
| 3. Shri Kanji B. Rita | - Director |
| 4. Shri Vinod K. Shah | - Director |
| 5. Shri Pravin N. Gala | - Director |
| 6. Shri Srinivasaiyer Jambunathan | - Independent Director |
| 7. Shri Harshawardhan M. Gajbhiye | - Independent Director |
| 8. Shri Arun N. Joshi
(w.e.f. 24/12/2009) | - Independent Director |
| 9. Shri Deepak M. Vaishnav
(w.e.f. 24/12/2009) | - Independent Director |
| 10. Shri Ajay K. Khera
(w.e.f. 24/12/2009) | - Independent Director |

Company Secretary

Shri Vinodchandra A. Vakharia

Business Heads

- | | |
|-----------------------------|---|
| 1. Shri Arvind J. Gala | - Chief Financial Officer |
| 2. Shri Shyamsunder P. Vyas | - Compliance Officer |
| 3. Shri Ravindra Kasliwal | - Head - Institutional Broking & Research |
| 4. Shri Avinash Bhosale | - Head - Compliance - DP Operations |
| 5. Shri Amit Pandey | - Head - Retail Broking |
| 6. Shri Chetan Shah | - Head - Administration |
| 7. Shri Jitesh Shah | - Head - Risk Management |
| 8. Shri Jatin Shah | - Head - Compliance |
| 9. Shri | - Head - Operations |

Bankers

1. Bank of India
2. HDFC Bank Ltd.
3. Kotak Mahindra Bank Ltd.
4. Axis Bank Ltd.
5. Punjab National Bank
6. Syndicate Bank
7. State Bank of India
8. ICICI Bank Ltd.
9. Canara Bank
10. HSBC Bank

Statutory Auditor

M/s. D.V. Vakharia & Co.
Chartered Accountants

INDEX

The Chairman's Letter to the Shareholders	1
Notice of AGM	2
Directors' Report	6
Management Discussion and Analysis	12
Report on Corporate Governance	25
Auditors' Report	30
Balance Sheet	33
Profit and Loss Account	34
Schedules	35
Cash Flow Statement	51
Statements Relating to Subsidiary Companies	53
Consolidated Financial Statements	54
Subsidiary Companies' Reports and Accounts	75

Registered Office
Viraj Towers, 201, 2nd Floor,
Near Landmark, Andheri Flyover,
Western Express Highway,
Andheri - East, Mumbai - 400 069
Tel. : (022) 39548500/ (022) 40751500
Fax : (022) 40751535
Website : www.inventuregrowth.com

Chairman's Report



Letter to the shareholders

Dear Shareholders,

My association with Inventure goes back 15 years, from the birth of Inventure. From the day of incorporation, we are committed to give our clients and investors top most priority, and since then we have never compromised on what is best for them. Fiscal 2010 was not a pleasant year for the industry, yet Inventure delivered sterling performances. This has happened because of the active participation of all the stake holders of Inventure.

The economic environment became challenging in all the major securities markets where we operated. Our greater client focus and a robust operational and financial model, sound management practice that adapted rapidly to the changing environment and contributions of our employees, however, enabled us to surmount the challenges and emerge stronger from the downturn.

During the tough economic environment, we focused our efforts on gaining the knowledge and capabilities to build tomorrow's enterprises. So, when the financial tide turned, our clients identified with this roadmap and partnered with us to be empowered in the future. And we continued to lead our clients to find a right path in this journey; by providing them best in-class research, advisory and execution services. Simultaneously, we continued to expand our client base which has increased to 32,498 across business segments and remain fully committed to the trust we have developed over the years, by working towards a better financial future for each of our clients.

Performance wise, we concluded fiscal 2010 with an excellent quarter that confirmed the return of growth for our clients and us. Our consolidated revenues for fiscal 2010 stood at Rs. 4698.73 Lacs, a year-on-year growth of 60.93%. The consolidated profit after tax and exceptional item for the year was Rs. 1471.28 Lacs, a year-on-year growth of 171.11%.

Having a glance at future, we foresee tremendous opportunities, offered by our booming economy. Going forward, our efforts would be to help you tap these opportunities and meet your financial needs. We would compete on the basis of research-driven and quality service to our clients and develop strong long-term relationships based on earned trust, credibility and confidence.

Closing a challenging year, we raise a toast to all our stakeholders who have always stood by us, you, our shareholders, clients, and a government of India, bankers, business associates, and employees. We thank you for your continued support and look forward to the same in the future.

A handwritten signature in black ink, appearing to read 'Nagji K. Rita', written in a cursive style.

Nagji K. Rita
Chairman & Managing Director

Notice

Notice is hereby given that the Fifteenth Annual General Meeting of the members of Inventure Growth & Securities Limited will be held on Saturday, 24th July, 2010, at 2nd Floor, Viraj Towers, Western Express Highway, Andheri – East, Mumbai – 400 069 at 5.30p.m. to transact the following businesses:

Ordinary Business:

- 1) To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010, the Profit & Loss Account for the year ended as on that date and the Reports of the Board of Directors and Auditors thereon.
- 2) To declare Dividend.
- 3) To appoint a director in place of Shri Pravin N. Gala, who retires by rotation and, being eligible, offers himself for re-appointment.
- 4) To appoint a director in place of Shri Harshawardhan M. Gajbhiye, who retires by rotation and, being eligible, offers himself for re-appointment.
- 5) To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. PHD and Associates, Chartered Accountants, Mumbai- 400 069(Firm Registration Number 111236W), be appointed as Statutory Auditors of the Company, in place of the retiring Auditors M/s. D.V. Vakharia & Company, Chartered Accountants, Mumbai- 400 069 to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company, in consultation with the Auditors of the Company.

Special Business:

- 6) To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT Shri Arun N. Joshi who was appointed as an Additional Director w.e.f 24th December, 2009 and holds office up to the date of this Annual General Meeting of the Company and is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under the provisions of section 257 of the Companies Act, 1956, proposing his candidature for the office of a director, be and is hereby appointed as a Director.”

- 7) To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT Shri Deepak M. Vaishnav who was appointed as an Additional Director w.e.f 24th December, 2009 and holds office up to the date of this Annual General Meeting of the Company and is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under the provisions of section 257 of the Companies Act, 1956, proposing his candidature for the office of a director, be and is hereby appointed as a Director.”

8) To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT Shri Ajay K. Khera who was appointed as an Additional Director w.e.f 24th December, 2009 and holds office up to the date of this Annual General Meeting of the Company and is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under the provisions of section 257 of the Companies Act, 1956, proposing his candidature for the office of a director, be and is hereby appointed as a Director.”

By order of the Board of Directors

For Inventure Growth & Securities Limited
V. A. Vakharia
Company Secretary
Date: 28/06/2010
Place: Mumbai

Notes:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.
- 2) Company has fixed 24th July, 2010 as the 'Record Date' for ascertaining entitlement to the dividend for the year ended 31st March, 2010.
- 3) Members are requested to notify any change in their address.
- 4) Members/Proxies are requested to bring their attendance slips duly completed for attending the Meeting.
- 5) Members desiring any information as regards to accounts are requested to write to Company at an early date so as to enable to management to keep the information ready at the meeting.

**Annexure to the Notice dated 28th June, 2010
Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**

Item No. 5
Although not required, the explanatory statement is given.

The present Auditors Shri Dhiren V. Vakharia, Proprietor D.V. Vakharia & Company, Chartered Accountants, has become partner of M/s PHD & Associates, Chartered Accountants, Mumbai – 400069, and hence expressed his unwillingness for re-appointment in his proprietary firm.

The Company has received Special Notice as required under Section 225 of the Companies Act, 1956, proposing the appointment of M/s PHD & Associates, Chartered Accountants, Mumbai – 400 069, as the Statutory Auditors of the Company. As required, M/s PHD & Associates, Chartered Accountants, have forwarded a Certificate to the Company stating that the appointment, if made, will be within the limits specified in the Sub-Section (1B) of Section 224 of the Companies Act, 1956. Further, they have confirmed that they are not disqualified from being appointed as Auditors under Section 226 of the Companies Act, 1956.

It is therefore proposed to appoint M/s PHD and Associates, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company. The necessary Resolution seeking your approval for appointment of Statutory Auditors has been incorporated in the Notice convening the Annual General Meeting.

The Directors recommend adoption of the Resolution.

None of the Directors is concerned or interested in the resolution.

Item No. 6

Shri Arun N. Joshi was appointed on 24th December as an Additional Director. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Shri Arun N. Joshi will hold the office up to the date of forth coming Annual General Meeting. The Company has received the notice in writing from a member under the provisions of section 257 of the Companies Act, 1956, proposing the candidature of Shri Arun N. Joshi for the office of the Director.

Shri Arun N. Joshi, is a M.Sc. and a CAIIB. He is the Non Executive and Independent Director of our Company. He has vast experience in the area of Banking and Finance. He has worked with the State Bank of India for a period of 35 years, in various capacities, in India and abroad. At the time of retirement, he held the position of Managing Director of SBI Factors and Commercial Services Limited. During his long stint with SBI, he gained knowledge and expertise in various areas such as Credit Appraisal and follow up, N.P.A. Management, Forex Operations, Planning and Control and Reorganisation of Bank's Structure etc.

He has also served as an executive Director of Bombay Stock Exchange for three years where he was closely involved in various areas such as control and regulation, market development, launch of products such as Internet trading, Futures & Options and upgradation of Trading platform etc.

Mr. Joshi has also served as a Director of Central Depository Services Limited and as a member of various committees including the audit committee and the Finance & Accounts Committee for a period of three years. Mr. Joshi has also served as a Director on the Board of BOI Shareholding Limited, the clearing house of BSE, for a period of three years.

Except Shri Arun N. Joshi, none of the Directors is concerned or interested in the resolution.

Item No. 7

Shri Deepak M. Vaishnav was appointed on 24th December, 2009 as an Additional Director. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Shri Deepak M. Vaishnav will hold the office up to the date of forth coming Annual General Meeting. The Company has received the notice in writing from a member under the provisions of section 257 of the Companies Act, 1956, proposing the candidature of Shri Deepak M. Vaishnav for the office of the Director.

Shri Deepak M. Vaishnav is a Chartered Accountant by profession. He has a vast experience of 19 years in the fields of business process reengineering, computerisation of processes, ERP evaluation, implementation and post production support, ERP due diligence, providing functional, technical and strategic support to various teams working on various projects in diverse industries like stock exchange, finance, real estate, telecommunication, banking, government financials, IT consulting, insurance and investments, process manufacturing, retail etc. at different locations in India and abroad.

He represents Tata Consultancy Services at various academic premium institutions like S.P. Jain Management & Research Institute, D. J. Sanghavi College of Engineering, Swami Vivekanand College etc. for faculty trainings, addressing students to prepare under testing times etc. He has conducted various trainings programmes on project management, Oracle applications and finance for variety of audiences across Tata Consultancy Services' offices.

Except Shri Deepak M. Vaishnav, none of the Directors is concerned or interested in the resolution.

Item No. 8

Shri Ajay K. Khera was appointed on 24th December, 2009 as an Additional Director. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Shri Ajay K. Khera will hold the office up to the date of forth coming Annual General Meeting. The Company has received the notice in writing from a member under the provisions of section 257 of the Companies Act, 1956, proposing the candidature of Shri Ajay K. Khera for the office of the Director.

Shri Ajay K. Khera is M.sc (Hons.) in Bio Chemistry; Diploma in International Marketing; Diploma in industrial purchasing and materials management; Advance diploma in German language; Fellow of Chartered Institute of Logistics and Transport; Member of Institute of Materials Management, United Kingdom.

He has around twenty-nine years of experience in warehousing and logistics. He stands credited with outstanding services and contributions towards the growth of hi-tech Jawaharlal Nehru Port, by the Jawaharlal Nehru Port Trust and stands conferred with JPI's Rajiv Gandhi Memorial Shipping Performance Award – 1996 for special services for outstanding contribution for promoting of shipping trade at JNPT, Navi Mumbai.

Except Shri Ajay K. Khera, none of the Directors is concerned or interested in the resolution.

By order of the Board
For Inventure Growth & Securities Limited

V. A. Vakharia
Company Secretary

Date: 28/06/2010
Place: Mumbai

Director Report

To,
The Members,

Your Directors have pleasure in presenting the Fifteenth annual report together with the audited accounts of your Company for the year ended March 31, 2010.

FINANCIAL RESULTS

(Rs. In Lacs)

PARTICULARS	Year Ended 31.03.2010 Rs	Year Ended 31.03.2009 Rs
Gross Income	4040.72	2515.62
Profit Before Depreciation, Interest & Tax	2013.62	804.40
Less: Depreciation	114.35	102.76
Interest	375.28	271.58
Profit Before Tax	1523.99	430.06
Provision for Tax	498.00	120.00
Tax Adjustment for earlier year and Deferred Tax	15.64	31.49
Provision for Fringe Benefit Tax	-	5.00
Net Profit	1010.35	273.57
Add: Profit brought forward from earlier years	222.83	131.16
Profit available for appropriation	1233.18	404.73
Appropriations		
Proposed Dividend	140.00	70.00
Dividend Tax	21.92	11.90
General Reserve	900.00	100.00
Balance carried to Balance sheet	171.26	222.83
Basic and Diluted Earning Per Share	7.22	1.95

- Figures regrouped where necessary.

Share Capital

During the year, Authorised Share Capital of the Company was increased from Rs. 11 Crores to Rs. 25 Crores as per the resolution passed by the Members in the Extra- Ordinary General Meeting held on 21st December, 2009.

Bonus Share

During the year, the Company has issued Bonus Shares in the ratio of 1:1 i.e. One new Equity Share as a Bonus Share against One Equity Share held on the Record Date i.e. 21st December, 2009. Thus, the paid-up Equity Share Capital of the Company has increased from Rs. 7 Crores to Rs. 14 Crores.

Dividend

Your Directors recommend dividend of Re. 1/- (Rupee One only) per share of Rs.10/- each equivalent to 10% on 1,40,00,000 (One Crore Forty Lacs) Equity Shares.

Initial Public Offer (IPO)

The Company has decided to make Public Issue of 70,00,000 Equity Shares of Rs. 10/- each for cash through 100% Book Building Process, at a price to be determined by the Book Building Process. The Issue constitutes 33.33% of the fully diluted post-issue paid- up capital of our Company.

The Draft Red Herring Prospectus (DRHP) was approved by the Board in their Meeting held on 8th February, 2010. The same was filed by our Merchant Banker - Intensive Fiscal Services Private Limited with Securities and Exchange Board of India (SEBI) on 15th February, 2010, and the same is under consideration of SEBI. The approval of DRHP is expected very soon.

Review of Operations

During the year, the Company has achieved a Turnover of Rs.1,24,578 Crores in terms of volume in the Capital Market, Future & Option and Currency Derivatives Segments of Bombay Stock Exchanges Ltd., National Stock Exchange of India Ltd. and MCX Stock Exchange Ltd.

Gross Brokerage and Commission Income increased by 49.14 % to Rs.2,420.95 Lacs. Total Income from Operations increased by 62.18% to Rs. 3,263.95 Lacs.

Profit after Tax (PAT) for the year was Rs.1,010.36 Lacs as against Rs. 273.57 Lacs in previous year showing a strong growth of 269%.

Detailed information on operational and financial performance is given in the Management Discussion and Analysis Report, which is annexed to the Directors Report.

Future Outlook

Since the beginning of the year 2010, the Indian Stock Markets have shown a positive note. After a stupendous rise of 80% over the past year, what's in store for Indian Markets this year? Moving into 2010, Sensex at 17,000 levels, most positives based on FY10E earnings are firmly in the place.

In the near term, markets would look forward to the upcoming results season for clues into future corporate profit growth. Indian economy's fundamentals should strengthen further as we move and momentum in GDP growth likely to gain steam. This should keep the foreign investors interested in the India story.

Currently India trades at trailing P/E of 19 times of current year earnings. Historically markets have gone upto 20/21 times of current year's earnings, which can propel the Sensex to higher levels of about 18500/19000.

The key risks for our markets are higher interest rates triggered by rise in inflation and global uncertainties on monetary and fiscal tightening. Any sharp interest rate hike in U.S and in India, could trigger the anticipated correction.

Hence the rally is likely to continue, optimism needs to be backed by higher earnings visibility for the year 2011 and also earnings upgrades. We can expect market gains to be moderate after a strong 2009.

New Lines of Business

The Company has received Certificate of Registration as a Portfolio Manager from Securities and Exchange Board of India on 30th April, 2010.

The Company has also got Membership in the Wholesale Debt Market Segment of the National Stock Exchange of India Limited.

The Company has recently started Training Centre for imparting training to the students on different Segments of Capital Market.

Deposits

During the period under review, your Company has not accepted/renewed any deposits within the meaning of Section 58A of the Companies Act, 1956, and the rules thereunder.

Subsidiary Companies

As at March 31, 2010, the Company has following Subsidiary Companies:

Inventure Finance Private Limited	- Non- Banking Financial Company registered with Reserve Bank of India (RBI) and classified as Investment Company
Inventure Commodities Limited	- Registered member of MCX, NCDEX, NSEL and NMCE - dealing in commodities. The Company undertakes commodity broking activities.
Inventure Wealth Management Limited	- The Company deals into providing investment advisory services, financial planning and distribution of structured products, debt products, fixed deposits and mutual funds to HNI and retail clients.